

**Malin Ahlberg**

BMUB, Division KI I 6

European and International Climate Policy, New Market Mechanisms



Federal Ministry for the  
Environment, Nature Conservation  
and Nuclear Safety



**German approach to foster the carbon market**

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# German approach to foster the carbon market



- Button up approach: support of the market evolvement and market access for compliance buyers
- The German government has not purchased CER for compliance purposes so far
- International carbon market: An effective instrument for enhancing mitigation (cost effective, flexible, engaging private finance investment)
- In spite of the current market situation BMUB will continue to cooperate with partners on reforming and further developing the carbon market.

Promoting innovative approaches in all areas of the carbon market:

- Increasing the mechanisms' performance
- Advancing their scope to untapped hitherto areas and regions
- Ensuring their environmental integrity and contributions to sustainable development
- Exploring option to expand the scale of mitigation activities beyond the existing carbon mechanisms

# Ranges of support activities

- Support to specific carbon market stakeholders:
  - Country Managers (Carbon Market Units in India, Brazil, Uganda, Mena)
  - Research and public information services (e.g. “Carbon Mechanisms Review”, “Quo Vadis, Africa”, “CDM in LDCs”, “Potential for SBL in LDC”)
- Promoting CDM in LDCs:
  - Development of SBL for LDCs (rural electrification, charcoal production)
  - Support of the African Carbon Asset Development Facility (ACAD); (e.g. Development of the SAPP GEF)



## Ranges of support activities

- Broadening the scope of CDM by fostering of PoA:
  - PoA Support Centre  
(supports the development of a portfolio of eligible PoA)
  - Foundation “Future of the Carbon Market”  
(provides start-up finance for PoAs)
  - PoA Working Group  
(Stakeholder group for promoting the concept of PoA)

# Ranges of support activities

- Support of new carbon market approaches:
  - Capacity building for ETS (“Expert trained by Experts”, “Toolbox for capacity building”)
- Support of the World Bank Initiatives:
  - Partnership for Market Readiness “PMR” (provides grant financing and technical assistance for capacity building and piloting of market-based tools for GHG reduction)
  - Support of Pilot Auction Facility “PAF” (results-based payment mechanism to stimulate investment in stranded projects)



**THANK YOU FOR YOUR ATTENTION**

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[Malin.Ahlberg@bmub.bund.de](mailto:Malin.Ahlberg@bmub.bund.de)